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SUBJECT: BULGARIA'S NEW PARLIAMENT: GERB'S "FLOATING MAJORITY"

Classified By: Ambassador Nancy McEldowney for reasons 1.4 (b) and (d).

11. (C) SUMMARY: With an almost-majority of 48 percent of parliament seats, incoming GERB PM Boyko Borissov believes he can achieve his goals without having to take on a coalition partner. Borissov has opted for a minority government that will negotiate voting majorities for specific legislation on a case-by-case basis -- a "floating majority." Nationalist Ataka; populist Order, Law, and Justice (OLJ); and the center-right Blue Coalition have informally pledged to support GERB in this strategy. However, 115 of GERB, s 116 MPs are in parliament for the first time -- inexperienced, facing a sharp learning curve, and easy targets for business interests and veteran opposition players. Without strong parliamentary discipline, which we have not yet seen, GERB risks instability and drift. Also, relying on the likes of Ataka and OLJ could lead to image problems at home and abroad. END SUMMARY.

WINNER TAKES ALL

 $\P2$. (C) GERB, 116 seats (48 percent): The unexpected size of GERB's victory in the July 5 parliament elections has boosted Borissov's confidence and brought him tantalizingly close to his dream of a full majority. He understands his autocratic leadership style is not suited to coalition management and each potential partner -- Ataka, OLJ, and the Blue Coalition -- carries unwanted baggage. The floating majority strategy gives Borissov freedom of maneuver. But the strategy requires discipline within the faction, and the GERB deputies are raw recruits. Many have no political experience and over one-third are in their 20s. While new, young faces in parliament present a positive image, it is unclear who will provide the leadership, discipline, and parliamentary strategy necessary to repeatedly put together ad hoc majorities for different legislation. The party's strongest personalities, such as chairman Tsvetanov, have already been chosen for executive jobs. Another problem is that Borissov makes all the party's serious decisions, sometimes in a contradictory and capricious manner.

MIX 'N' MATCH FLOATING MAJORITY

- 13. (C) GERB is looking to Ataka, OLJ, and the Blues for support to form majority votes on specific legislation. They have all promised to support GERB, at least for the first few months, in hope of being rewarded with positions in the government and possibly formal coalition membership at a later time. But they have so far avoided GERB's attempts to formalize their commitments.
- Ataka, 21 seats (8 percent): Ataka will try to gain <u>¶</u>4. (C) respectability by the appearance of responsible cooperation with the GERB government. But Borissov is wary; he knows that dealing with Ataka will raise questions about his own transatlantic values. If Ataka keeps up its usual racist, anti-Islam, anti-West rhetoric it will tarnish the government's image and complicate relations with EU, NATO and

Western partners. It could also cause cooperation problems with the Blues, who refuse any formal agreements with Ataka.

- ¶5. (C) Blue Coalition, 15 seats (6 percent): The two genuine center-right parties, Union of Democratic Forces (UDF) and Democrats for a Strong Bulgaria (DSB) reluctantly formed the coalition as their only hope of entering parliament, and cooperation is still strained. By coalition agreement, UDF has 10 seats and DSB 5. DSB leader ex-PM Ivan Kostov is one of Bulgaria's most formidable politicians and is seeking to regain control of the center-right. Borissov is reportedly afraid of letting him get too close. Also, Kostov has the highest negative rating of all Bulgarian politicians for his past corruption scandals, bad for GERB's corruption-fighting image. For these reasons Borissov is reluctant to enter into coalition with him despite pressure from the European People's Party (EPP) to include all EPP member parties in a center-right coalition. Borissov would probably join with UDF alone, but the new Codex bans members elected as part of one group to move to another group.
- 16. (C) Order, Law and Justice (OLJ), 10 seats (4 percent): Still an unknown quantity with suspicious funding, OLJ may want to consolidate its voter base by taking strong populist positions. At the same time, it wants respectability as much as Ataka, is closer to getting it, and therefore may be more likely to cooperate with GERB.

THE OPPOSITION -- DOWN AND OUT

17. (C) Bulgarian Socialist Party (BSP), 40 seats (16 percent): BSP lost more than half of its seats and is now at

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an historic low. Although the remaining MPs are experienced politicians -- 8 are ministers in the outgoing government -- their skill is offset by their negative public image. PM Stanishev, blamed for leading the party to defeat, survived the first party meeting after the election with a vote of confidence. But attacks on his leadership will continue and the party leadership issue needs to be settled before BSP can become an effective opposition.

- 18. (C) Movement for Rights and Freedoms (MRF), 38 seats (15 percent): The party raised its number of seats in parliament by two, thanks to full mobilization of its ethnic-Turkish voter base and advanced vote fraud methods. But, as a synonym with corruption, its unpopularity with the larger public is at record highs and close to Ataka's pariah status in terms of possible coalition partners, even with the Socialists. The party has a long way to go to refurbish its image enough to become an acceptable partner for any parliamentary group.
- 19. (C) COMMENT: GERB has no challenger in the new parliament and can risk forming a minority government. But Borissov will have to mold his MPs into a disciplined force or managing his floating majority will become more difficult. Borissov has brought together a strong cabinet (septel), but GERB will face significant challenges translating its electoral victory into an effective legislative force. END COMMENT.
 McEldowney